

## ACTUAL AND ESTIMATED SUPPORT FOR THE ANDEAN INITIATIVE: OBLIGATIONS, NONCASH ASSETS, AND TARIFF REDUCTIONS

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How much support--funding and other resources--has the U.S. government provided for the Andean Initiative? In this context, "funding" refers to obligations or estimates of obligations, and "other resources" refers to the value of noncash assets--such as excess defense articles--and tariff reductions under the Andean Trade Preference Act. Although both of the latter categories are defined as other resources, there are important differences between them: tariff reductions directly affect the federal budget, but transfers and unreimbursed deliveries of noncash assets do not. (For additional information about specific categories of assistance and programs, see Box 3 and Appendix B.)

### Overall Funding and Other Resources

Actual obligations increased during the early years of the initiative, but estimates of obligations for 1993 and 1994 suggest that funding for the initiative will not reach the level proposed by the Bush Administration.<sup>21</sup> But the size of the shortfall is uncertain. The Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1994 called for rescissions of unexpended balances of funds that could affect the Andean region (\$203 million for the Economic Support Fund and \$5.1 million for development assistance) and relatively low levels of new budget authority for 1994.<sup>22</sup> Moreover, the act stated that none of the funds appropriated (by the act) under the headings "Economic Support Fund" and "Foreign Military Financing" may be made available for the Andean Initiative until the Secretary of State consults with and provides a new Andean counternarcotics strategy (including budget estimates) to the Committees on Appropriations.<sup>23</sup>

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21. The estimates for 1994 are preliminary, based on actual appropriations. They do not factor in the possibility of carryover from 1993--or carryover into 1995--nor do they reflect new proposals for rescissions reported in the President's budget for 1995 that might affect Andean funding. For a list of potential rescissions, see Office of Management and Budget, *Budget of the United States Government, Appendix, Fiscal Year 1995* (1994), p. 1005.

22. See section 545 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1994 (P.L. 103-87). The rescissions may affect estimates for previous years to the extent that cuts of funds in the pipeline are necessary to meet the rescissions and deobligations are possible.

23. See section 561 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1994 (P.L. 103-87). As noted above, the moratorium is still in effect.

Notwithstanding these considerations, it is clear that funding for the initiative will not meet the level described in the Bush Administration's proposal. The proposal specified a five-year total of about \$2.1 billion, compared with the current five-year estimate of about \$1.3 billion. (Even if other resources--noncash assets and tariff reductions--were added to the figures for each year, the five-year total would not reach the total specified in the proposal.)<sup>24</sup> Moreover, it is probably safe to say that the overall level of funding will be lower in 1994 than in any year during the 1990-1993 period. (For a year-to-year comparison of the Bush proposal and actual and estimated levels of funding, see Figure 1. For a summary of actual and estimated levels of funding and other resources, by country and category of assistance, see Table 1.)

A closer examination of funding over the five-year period reveals a brief burst of fiscal enthusiasm, followed by a two-year plateau and a two-year decline. But the early increases were less than those suggested by the Bush Administration; thus, even if the plateau had been maintained in 1993 and 1994, the five-year total would have fallen short of that specified in the proposal. For example, if obligations in 1993 and 1994 were fixed at the two-year average for 1991 and 1992 (the plateau), the five-year total would have amounted to about \$1.6 billion, or roughly three-quarters of the five-year plan. (If other resources were added, the total would have risen to almost \$1.7 billion.)

#### Funding and Other Resources by Country

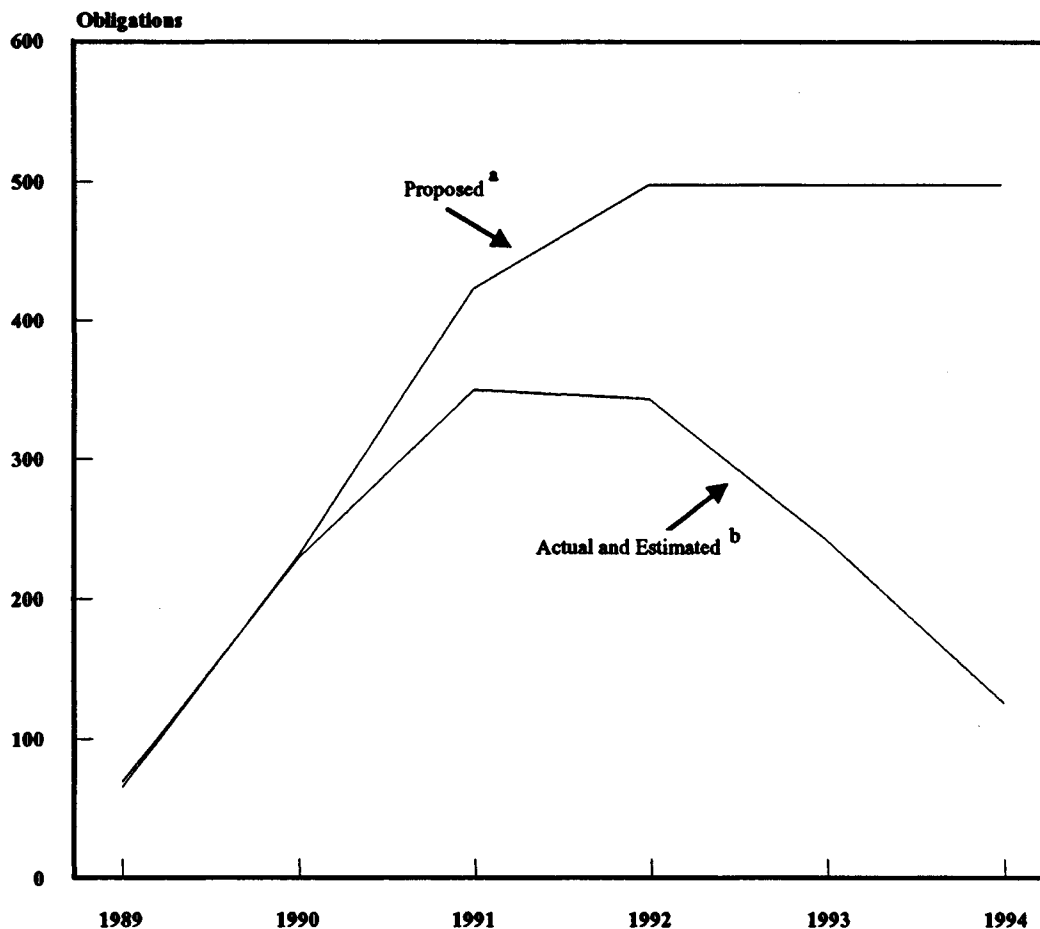
The estimated five-year totals for each country are substantially lower than the five-year totals specified in the Bush proposal. For Colombia and Bolivia, the estimated five-year totals are about \$471 million and \$616 million, respectively, compared with proposed totals of about \$608 million and \$838 million. For Peru, the estimated five-year total is about \$205 million, compared with the proposed total of about \$702 million; the difference between the estimated and proposed totals, about \$497 million, accounts for more the half of the difference for the three countries combined. (For comparisons of proposed levels of funding for each country and actual and estimated levels, see Figure 2.)

For Peru, the gap in funding may have less to do with strategic objectives and scarce resources than with intervening political factors. In

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24. At present, figures for noncash assets are not available for 1994.

**FIGURE 1. SUPPORT FOR THE ANDEAN INITIATIVE: THE BUSH ADMINISTRATION'S PROPOSAL FOR FUNDING COMPARED WITH ACTUAL AND ESTIMATED LEVELS OF FUNDING**  
(By fiscal year, in millions of dollars)



**SOURCES:** Congressional Budget Office based on data from the following agencies and departments of the U.S. government: the Agency for International Development, Office of Planning and Budget, Finance and Administration; Agency for International Development, "Congressional Presentation" (fiscal years 1991-1994); Defense Security Assistance Agency, Legislative and Planning Division; Defense Security Assistance Agency, FMS Control and Reports Division, "Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts, as of September 1992;" Department of Justice, Drug Enforcement Administration; Department of State, Bureau of International Narcotics Matters; Department of State, Office of Legislative Affairs; Department of State and Defense Security Assistance Agency, "Congressional Presentation for Security Assistance Programs" (fiscal years 1991-1994); and Office of National Drug Control Policy.

**NOTE:** This figure includes funding for military and economic assistance, law enforcement, and support from the U.S. Drug Enforcement Administration in Colombia, Peru, and Bolivia. For additional information, see Box 2 and Tables 1-4.

a. The Bush Administration issued a proposal for funding for the 1990-1994 period with a comparative assessment of funding for 1989 (dated June 20, 1990).

b. "Actual funding" refers to the 1989-1992 period and "estimated funding" refers to the 1993-1994 period.

**TABLE 1. SUPPORT FOR THE ANDEAN INITIATIVE: A SUMMARY OF ACTUAL AND ESTIMATED LEVELS OF FUNDING FOR MILITARY AND ECONOMIC ASSISTANCE, LAW ENFORCEMENT, AND DRUG ENFORCEMENT ADMINISTRATION ACTIVITIES, AND OTHER RESOURCES (By fiscal year, in thousands of dollars)**

	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate	1990-1994 Total
<b>Obligations</b>							
<b>Colombia</b>							
<b>Military assistance</b>							
Foreign military financing <sup>a</sup>	7,090 <sup>b</sup>	71,730	47,000 <sup>i</sup>	47,000	27,000	7,700	200,430
International military education and training	<u>1,000</u>	<u>1,494</u>	<u>2,593</u>	<u>2,296</u>	<u>2,126</u>	<u>900</u>	<u>9,409</u>
Subtotal	8,090	73,224	49,593	49,296	29,126	8,600	209,839
<b>Economic assistance</b>							
Economic support fund	0	2,302	24,500	74,000 <sup>k</sup>	15,970	1,000	117,772
Development assistance	<u>320</u>	<u>1,540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,540</u>
Subtotal	320	3,842	24,500	74,000	15,970	1,000	119,312
Law enforcement <sup>b,c</sup>	10,000	20,000	20,000	23,383	25,000	20,000	108,383
Drug Enforcement Administration activities <sup>d</sup>	<u>4,259</u>	<u>4,923</u>	<u>6,383</u>	<u>6,359</u>	<u>7,944</u>	<u>7,944</u>	<u>33,553</u>
Total	22,669	101,989	100,476	153,038	78,040	37,544	471,087
<b>Peru</b>							
<b>Military assistance</b>							
Foreign military financing <sup>a</sup>	2,500	1,000	12,412 <sup>j</sup>	0	0	0	13,412
International military education and training	<u>520</u>	<u>523</u>	<u>524</u>	<u>113</u>	<u>0</u>	<u>0</u>	<u>1,160</u>
Subtotal	3,020	1,523	12,936	113	0	0	14,572
<b>Economic assistance</b>							
Economic support fund	1,300	3,286	59,117	4,660	17,350 <sup>a</sup>	9,000	93,413
Development assistance	<u>304</u>	<u>468</u>	<u>150</u>	<u>300</u>	<u>2,914</u>	<u>1,800</u>	<u>5,632</u>
Subtotal	1,604	3,754	59,267	4,960	20,264	10,800	99,045
Law enforcement <sup>b</sup>	10,500	10,000	19,000	12,500 <sup>i</sup>	17,500	8,000	67,000
Drug Enforcement Administration activities <sup>d</sup>	<u>4,119</u>	<u>4,455</u>	<u>5,636</u>	<u>5,785</u>	<u>4,259</u>	<u>4,259</u>	<u>24,394</u>
Total	19,243	19,732	96,839	23,358	42,023	23,059	205,011

(Continued)

TABLE 1. CONTINUED

	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate	1990-1994 Total
<b>Bolivia</b>							
Military assistance							
Foreign military financing <sup>a</sup>	5,000	39,228	35,000	25,000	18,595	4,721	122,544
International military education and training	<u>400</u>	<u>498</u>	<u>899</u>	<u>900</u>	<u>1,075</u>	<u>400</u>	<u>3,772</u>
Subtotal	5,400	39,726	35,899	25,900	19,670	5,121	126,316
Economic assistance							
Economic support fund	0	33,413	77,000	99,879 <sup>a</sup>	60,200	25,000	295,492
Development assistance	<u>3,990</u>	<u>8,601</u>	<u>11,437</u>	<u>9,867</u>	<u>10,036</u>	<u>2,335</u>	<u>42,276</u>
Subtotal	3,990	42,014	88,437	109,746	70,236	27,335	337,768
Law enforcement <sup>b,c</sup>	10,000	15,700	15,700	15,700	17,000	17,000	81,100
Drug Enforcement							
Administration activities <sup>d</sup>	<u>7,955</u>	<u>10,680</u>	<u>12,380</u>	<u>15,432</u>	<u>15,938</u>	<u>15,938</u>	<u>70,368</u>
Total	27,345	108,120	152,416	166,778	122,844	65,394	615,552
<b>Combined Funding</b>							
Military assistance							
Foreign military financing <sup>a</sup>	14,590	111,958	94,412	72,000	45,595	12,421	336,386
International military education and training	<u>1,920</u>	<u>2,515</u>	<u>4,016</u>	<u>3,309</u>	<u>3,201</u>	<u>1,300</u>	<u>14,341</u>
Subtotal	16,510	114,473	98,428	75,309	48,796	13,721	350,727
Economic assistance							
Economic support fund	1,300	39,001	160,617	178,539	93,520	35,000	506,677
Development assistance	<u>4,614</u>	<u>10,609</u>	<u>11,587</u>	<u>10,167</u>	<u>12,950</u>	<u>4,135</u>	<u>49,448</u>
Subtotal	5,914	49,610	172,204	188,706	106,470	39,135	556,125
Law enforcement <sup>b,c</sup>	30,500	45,700	54,700	51,583	59,500	45,000	256,483
Drug Enforcement							
Administration activities <sup>d</sup>	<u>16,333</u>	<u>20,058</u>	<u>24,399</u>	<u>27,576</u>	<u>28,141</u>	<u>28,141</u>	<u>128,315</u>
Total	69,257	229,841	349,731	343,174	242,907	125,997	1,291,650
<b>Other Resources (Current Value)</b>							
<b>Noncash Assets</b>							
Drawdown (deliveries) <sup>e</sup>	65,000	25,653	0	6,558	0	u.	u.
Excess defense articles (transfer offers) <sup>f</sup>	<u>n.a.</u>	<u>111</u>	<u>3,979</u>	<u>4,745</u>	<u>80</u>	<u>u.</u>	<u>u.</u>
Total	65,000	25,764	3,979	11,303	80	u.	u.
Tariff Reductions <sup>g</sup>	n.a.	n.a.	n.a.	3,000	13,000	16,000	32,000

(Continued)

TABLE 1. CONTINUED

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SOURCES: Congressional Budget Office based on data from the following agencies and departments of the federal government: the Agency for International Development, Office of Planning and Budget, Finance and Administration; Agency for International Development, *Congressional Presentation* (fiscal years 1991-1994); Defense Security Assistance Agency, Legislative and Planning Division; Defense Security Assistance Agency, FMS Control and Reports Division, *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts, as of September 1992*; Department of Justice, Drug Enforcement Administration; Department of State, Bureau of International Narcotics Matters; Department of State, Office of Legislative Affairs; and Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs* (fiscal years 1991-1994).

NOTES: n.a. = not applicable; u. = unobtainable. For additional information, see Tables 2-6.

- a. Funding for 1989 was provided under the Military Assistance Program.
  - b. "Law enforcement" consists of funding for the country programs of the Bureau of International Narcotics Matters (INM), which may include some nonenforcement activities, such as crop production control involving alternative development activities, and drug prevention and awareness.
  - c. Funding for 1990 includes \$16.5 million transferred from security assistance to INM to support the Andean strategy—Bolivia received \$6.5 million and Colombia received \$10 million. See the Department of State, Bureau of International Narcotics Matters, *International Narcotics Control Strategy Report* (March 1991), p. 43. The funds were appropriated for counternarcotics programs under section 602 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (P.L. 101-167).
  - d. Drug Enforcement Administration (DEA) support consists of the operating and administrative expenses associated with DEA's foreign offices and the operating expenses associated with DEA's contribution to Operation Snowcap (a program coordinated with INM).
  - e. Figures are the current values of articles and services drawn down and delivered under section 506(a)(2) of the Foreign Assistance Act of 1961 (FAA), as amended. (For 1989, drawdown occurred under section 506(a) of the FAA, as amended.)
  - f. Figures are the current values of excess defense articles (EDA) offered for transfer under section 517 of the FAA, as amended (for 1991 and 1992, they include offers under section 519 of the FAA, as amended). The figures may not correspond to the current values of actual deliveries. Moreover, the figures do not include EDA sold under the Foreign Military Sales (FMS) program.
  - g. Figures consist of estimated and projected losses of tariff revenue under the Andean Trade Reference Act (excluding losses related to Ecuador), rounded to the nearest million dollars net of income and payroll tax offsets.
  - h. Reflects a rescission of \$10,000 under section 587 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1993 (P.L. 102-391).
  - i. Includes concessional-rate financing amounting to \$19.945 million (obligated in 1991 with disbursements beginning in 1993). Some payments on interest may begin in 1994.
  - j. Reflects a rescission of \$11.538 million under section 587 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1993 (P.L. 102-391).
  - k. Excludes \$5 million transferred to INM.
  - l. In 1992, the Peru program was reflected in INM's Latin America Regional account.
  - m. Includes \$19.676 million deobligated in 1993; use yet to be determined.
  - n. Excludes \$14.5 million carried over from 1992 and transferred to Haiti.
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April 1992, President Alberto K. Fujimori suspended the Peruvian constitution and dissolved his country's congress.<sup>25</sup> As a result, the United States suspended most of Peru's economic and military assistance. Given more recent developments in Peru, the Clinton Administration may release some of the assistance conditionally. The Peruvian example illustrates the difficulties of formulating a foreign assistance program in a turbulent setting.

Consistent with the proposal, Bolivia will claim the largest share of the three-country total for the five-year period, but Peru will rank third instead of second--its share will shrink from about one-third of the proposed \$2.1 billion to about one-sixth of the estimated \$1.3 billion. If other resources--noncash assets and tariff reductions--were added to each country's total, the differences between estimated and proposed support for Colombia and Bolivia would be somewhat smaller (to date, Colombia has been the principal beneficiary of the ATPA, drawdown, and EDA programs), but the impact on Peru would be modest. As a result, Colombia's share of funding and other resources would be somewhat higher than its share of funding alone, and Peru's share would be even smaller.

#### Funding and Other Resources by Category of Assistance

The U.S. government has supported the Andean Initiative through the four categories of assistance specified in the Bush proposal--military assistance, economic assistance, law enforcement, and DEA support--but two other channels, noncash assets and tariff reductions, have also been used.<sup>26</sup>

Consistent with the proposal, funding for economic and military assistance will account for the largest shares of total funding. Funding for law enforcement and DEA support will account for the smallest. But the rankings mask substantial deviations from the proposal that are apparent in finer details. In particular, funding for military and economic assistance increased initially, but later declined substantially. The decline began for military assistance in 1991, but the decline for economic assistance began in 1993. In part, those deviations can be attributed to events in Peru, but substantial shortfalls have also developed for Colombia and Bolivia. Large gaps may not

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25. For additional information, see Raphael F. Perl, *Drug Control: International Policy and Options*, Issue Brief IB88093 (Congressional Research Service, updated July 16, 1993), pp. 10-11.

26. In addition, the Assets Forfeiture Fund, the Treasury Forfeiture Fund, the U.S. Information Agency, the U.S. Marshals Service, the Federal Bureau of Investigations, and Interpol have provided support--some peripheral and some more direct--for the Andean Initiative, but their contributions (generally reported as elements of the broader international effort) are not addressed in this paper.

FIGURE 2. SUPPORT FOR THE ANDEAN INITIATIVE: THE BUSH ADMINISTRATION'S PROPOSAL FOR FUNDING COMPARED WITH ACTUAL AND ESTIMATED LEVELS OF FUNDING, BY COUNTRY (By fiscal year, in millions of dollars)

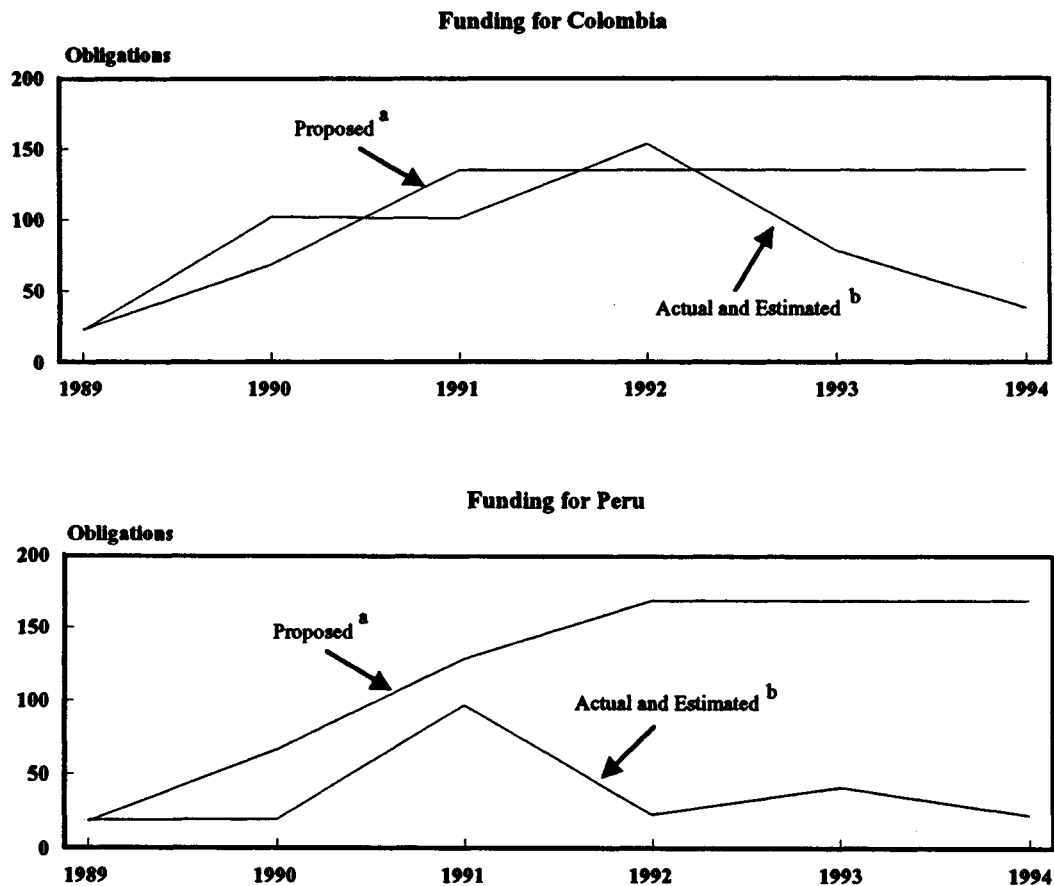
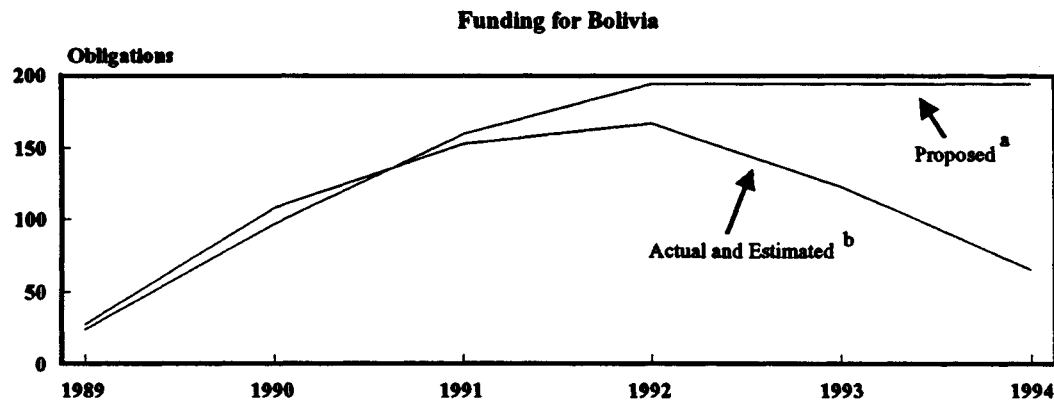




FIGURE 2. CONTINUED



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**NOTE:** This figure includes funding for military and economic assistance, law enforcement, and support from the U.S. Drug Enforcement Administration in Colombia, Peru, and Bolivia. For additional information, see Box 2 and Tables 1-4.

- a. The Bush Administration issued a proposal for funding for the 1990-1994 period with a comparative assessment of funding for 1989 (dated June 20, 1990).
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occur in all cases, however; a relatively small gap is expected for law enforcement, and modest overage is expected for DEA support. Combining the estimated gaps in each of the first three categories, the gross shortfall would amount to about \$895 million; subtracting the anticipated overage in the fourth category, the net shortfall would amount to about \$856 million.

**Military Assistance.** Funding for military assistance in Colombia, Peru, and Bolivia consists of actual and estimated obligations for foreign military financing and international military education and training (see Table 1 on page 18).<sup>27</sup> Total funding for military assistance peaked in 1990--the first year of the initiative--and declined in each year thereafter (see Figure 3). This category is expected to account for about \$325 million of the five-year funding gap.

Military funding for Colombia and Bolivia in 1990 exceeded the estimated levels specified in the proposal, but shortfalls developed and increased in each of the following years. For Peru, funding peaked at a relatively low level in 1991 (about \$13 million compared with a request of about \$40 million) and fell to only \$113,000 in 1992 (no funding has been reported for 1993 or 1994). In the case of Peru, the latter-year declines are consistent with the political events and restrictions on funding discussed earlier.

**Economic Assistance.** Economic assistance consists of actual and estimated development assistance and Economic Support Fund obligations used to support direct counternarcotics programs in Colombia, Peru, and Bolivia (see Tables 1 and 2). The Agency for International Development distinguishes between counternarcotics funding and other funding based on project-level information.

Economic assistance peaked in 1991 and 1992, and sharp declines are expected for the years 1993 and 1994 (see Figure 4). The shortfall in economic assistance, which accounts for the largest share of the estimated five-year funding gap, could exceed \$550 million. Funding for Colombia and Bolivia peaked in 1992, with substantial drops estimated for 1993 and 1994. In 1992, funding for Colombia exceeded the level specified in the Bush proposal by a substantial margin, but funding for Bolivia fell short. For Peru, funding peaked in 1991, at about \$59 million. In 1992, however, funding for Peru dropped to about \$5 million, with levels of about \$20 million and \$11 million estimated for 1993 and 1994, respectively.

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27. Although some portion of this funding may be used for law enforcement, this paper refers to all foreign military financing and international military education and training under a single heading.

**Law Enforcement.** Funding for law enforcement consists of actual and estimated obligations for bilateral programs (also referred to as "country programs") operated by the Bureau of International Narcotics Matters (INM) in Colombia, Peru, and Bolivia (see Tables 1 and 3). In some cases, other funding for INM's regional and interregional programs can be traced directly to one of the three countries. Those additional amounts are discussed below, but to enable consistent year-to-year and country-to-country comparisons, they are not included in Tables 1 and 3 (unless otherwise noted).

Funding for law enforcement, though relatively stable between 1990 and 1993, may decline from an estimated peak of about \$60 million in 1993 to a low of about \$45 million in 1994 (see Figure 5). (Between 1993 and 1994, the overall appropriation for INM was cut from \$147.8 million to \$100 million.) On that basis, the five-year total for law enforcement will fall short of the total specified in the Bush proposal by about \$17 million, but small five-year overages are expected for Colombia and Bolivia. For Peru, the pattern of funding has been more erratic, with peaks in 1991 and 1993 and substantial shortfalls in 1990, 1992, and 1994.

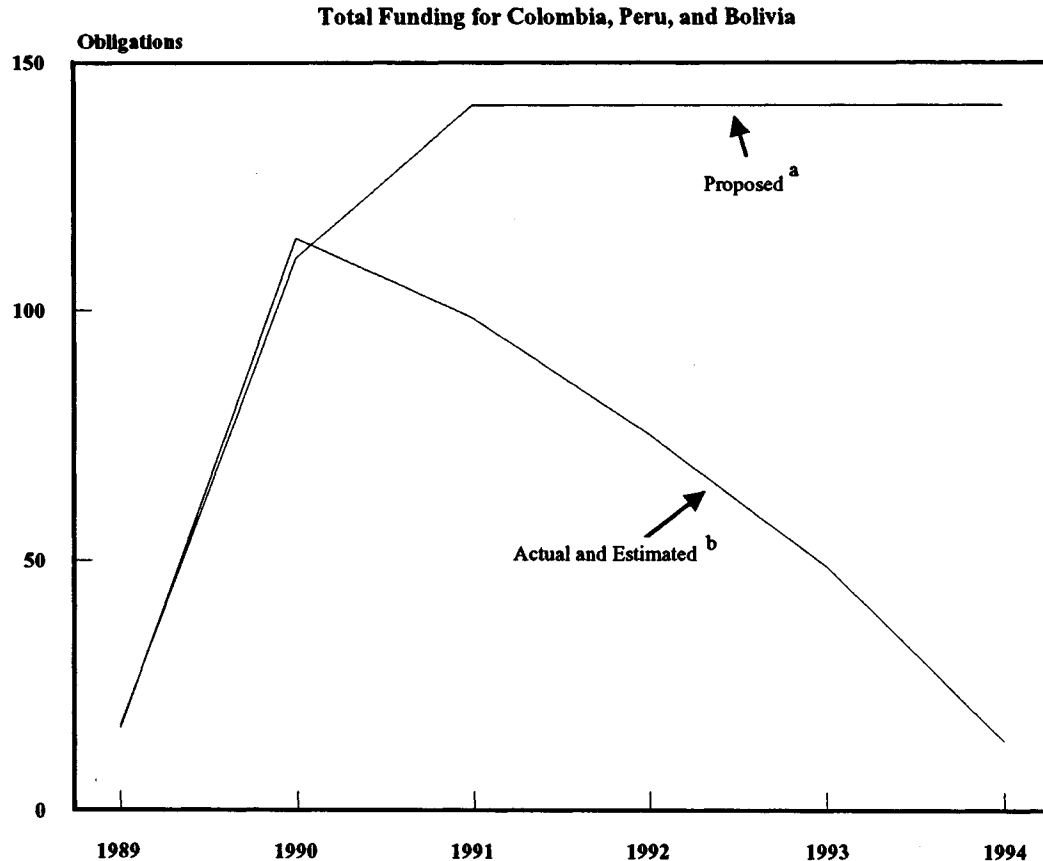
According to information provided by INM, funding for the interregional air wing (which provides aerial support for counternarcotics activities) would add about \$18 million to the Andean total in 1992, with Peru accounting for the largest share. In 1993, that figure could amount to another \$17 million. Moreover, additional funding for training in 1993 may amount to more than \$200,000 for Colombia, Peru, and Bolivia, ranging between \$40,000 to \$120,000 for each country.

**DEA Support.** DEA support encompasses the actual and estimated operating and administrative expenses associated with DEA's foreign offices in Colombia, Peru, and Bolivia, and the actual and estimated operating expenses associated with DEA's contribution to Operation Snowcap--a special enforcement program coordinated with INM, targeted at suppressing the production and trafficking of cocaine, particularly in Bolivia and Peru (see Tables 1 and 4). Operating expenses for the foreign offices consist of all costs in support of investigative operations, including purchases of evidence and payments for information; administrative expenses consist of all non-investigative costs in running the field offices, including expenses related to personnel.<sup>28</sup>

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28. Because the personnel for Operation Snowcap are borrowed from DEA's domestic field offices, the obligations reported for Operation Snowcap do not include personnel-related expenses.

**FIGURE 3. SUPPORT FOR THE ANDEAN INITIATIVE: THE BUSH ADMINISTRATION'S PROPOSAL FOR MILITARY ASSISTANCE COMPARED WITH ACTUAL AND ESTIMATED LEVELS OF FUNDING**  
(By fiscal year, in millions of dollars)

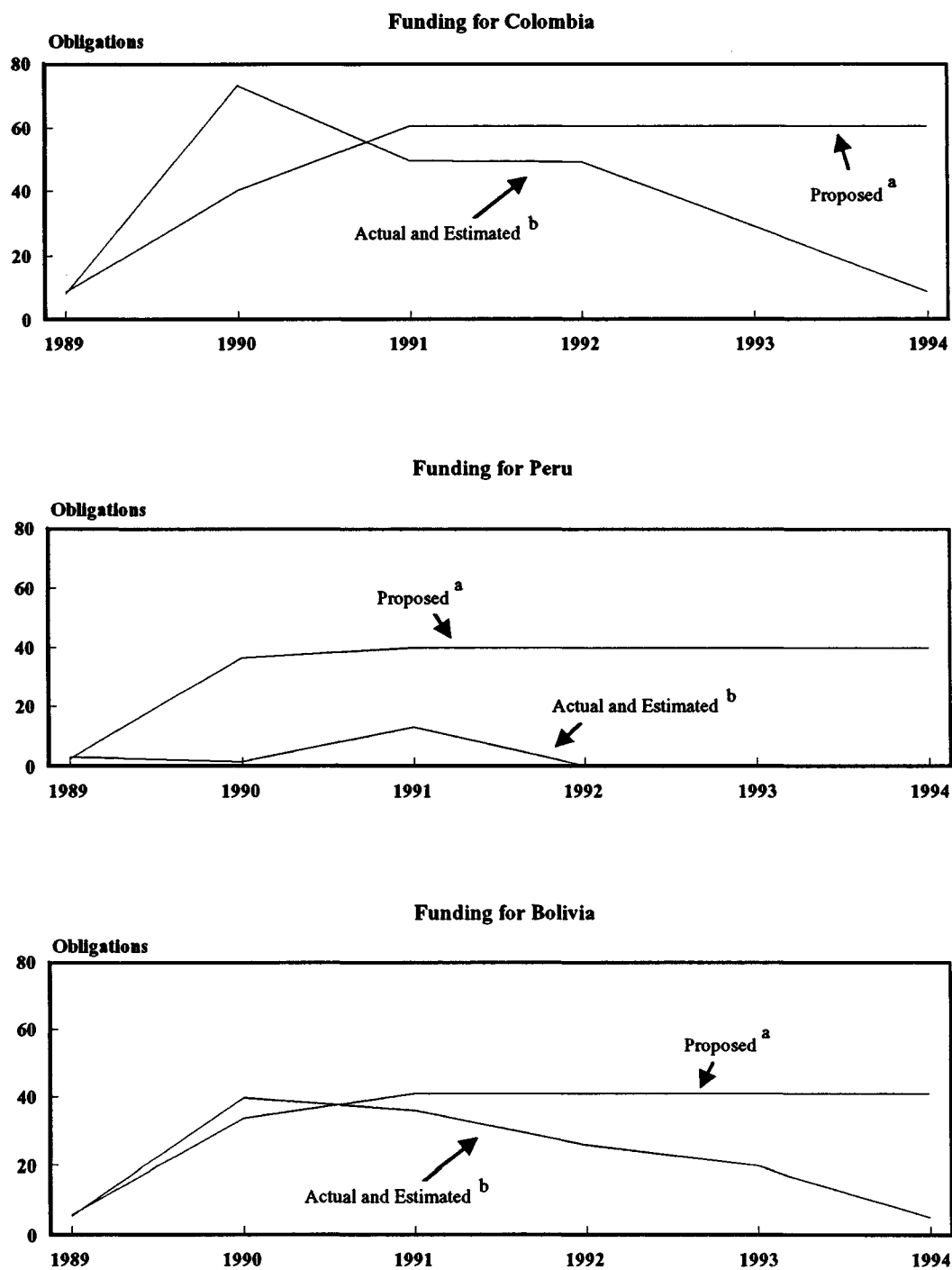


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**NOTE:** For additional information, see Box 2 and Table 1.

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FIGURE 3. CONTINUED



**TABLE 2. ECONOMIC ASSISTANCE IN SUPPORT OF THE ANDEAN INITIATIVE: AN ANNOTATED BREAKDOWN OF ACTUAL AND ESTIMATED LEVELS OF FUNDING FOR DEVELOPMENT ASSISTANCE AND THE ECONOMIC SUPPORT FUND**  
(Obligations by fiscal year, in thousands of dollars)

	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate	1990-1994 Total
<b>Colombia</b>							
Economic support fund	0	2,302 <sup>d</sup>	24,500 <sup>e</sup>	74,000 <sup>i</sup>	15,970	1,000	117,772
Development assistance	<u>320<sup>e</sup></u>	<u>1,540<sup>e</sup></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,540</u>
Subtotal	320	3,842	24,500	74,000	15,970	1,000	119,312
<b>Peru</b>							
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Subtotal	1,604	3,754	59,267	4,960	20,264	10,800	99,045
<b>Bolivia</b>							
Economic support fund	0 <sup>c</sup>	33,413 <sup>f</sup>	77,000 <sup>h</sup>	99,879 <sup>j</sup>	60,200	25,000	295,492
Development assistance	<u>3,990</u>	<u>8,601</u>	<u>11,437</u>	<u>9,867</u>	<u>10,036</u>	<u>2,335</u>	<u>42,276</u>
Subtotal	3,990	42,014	88,437	109,746	70,236	27,335	337,768
<b>Combined Funding</b>							
Economic support fund	1,300	39,001	160,617	178,539	93,520	35,000	506,677
Development assistance	<u>4,614</u>	<u>10,609</u>	<u>11,587</u>	<u>10,167</u>	<u>12,950</u>	<u>4,135</u>	<u>49,448</u>
Total	5,914	49,610	172,204	188,706	106,470	39,135	556,125

(Continued)

SOURCE: Congressional Budget Office based on data from the Agency for International Development, Office of Planning and Budget, Finance and Administration.

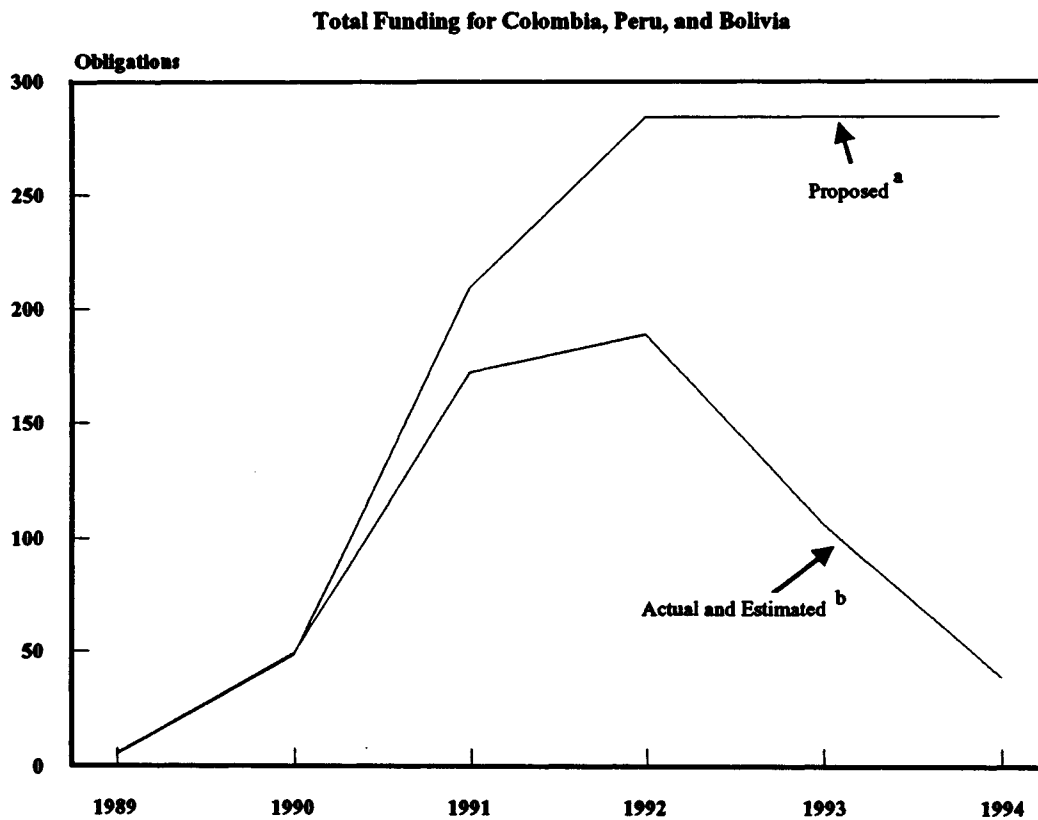
TABLE 2. CONTINUED

NOTES: In some cases, the figures for counternarcotics funding provided by the Agency for International Development's (AID's) Office of Planning and Budget, Finance and Administration, which are reported here (and in Table 1), exceed the overall levels of bilateral funding reported in AID's Congressional presentation documents. Such discrepancies—which are noted below—are related to AID's treatment of regional programs.

AID uses project-level information to distinguish between counternarcotics funding and other funding. On that basis, some of AID's counternarcotics figures for 1989 exclude obligations stemming from an earmarking of the Economic Support Fund (ESF) specified under section 578, "Narcotics Control Program," of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1989 (P.L. 100-461). The earmark amounted to \$61 million, including \$25 million for Bolivia (of which \$11.75 million was obligated in 1989 and \$13.25 million carried over into 1990) and \$2 million for Peru (the entire sum was obligated in 1989). The \$61 million, which AID refers to as an "ESF Narcotics Control Initiative earmark" on p. 114 of the main volume of its Congressional presentation for fiscal year 1992, was intended "to provide an incentive for countries to increase their efforts toward illicit drug control" (see H.R. 100-641, p. 17). According to AID, the earmark was used to fund some activities that were not direct counternarcotics projects. As a result, AID did not report any counternarcotics ESF obligations for Bolivia in 1989 (the agency reported the entire \$13.25 million carryover in 1990) and reported only \$1.3 million for Peru. (For a complete breakdown of the \$61 million by country and year of obligation, see AID, *Congressional Presentation*, fiscal year 1992, pp. 113-114.)

- a. The main volume of AID's Congressional presentation document does not report bilateral development assistance obligations for Colombia in 1989 (see AID, *Congressional Presentation, Main Volume*, fiscal year 1991, p. 243). In this case, regional development assistance funds were used from two Latin America and the Caribbean (LAC) Regional projects for narcotics public awareness and demand reduction activities in Colombia (see AID, *Congressional Presentation, Annex III, Latin America and the Caribbean*, fiscal year 1991, p. 210).
- b. Does not fully account for ESF obligations—amounting to \$2 million—earmarked under section 578, "Narcotics Control Program," of the Foreign Operations Appropriations Act of 1989 (P.L. 100-461). See AID, *Congressional Presentation*, fiscal year 1992, pp. 113-114, and the discussion above.
- c. Excludes ESF obligations—amounting to \$11.75 million—earmarked under section 578, "Narcotics Control Program," of the Foreign Operations Appropriations Act of 1989 (P.L. 100-461). See AID, *Congressional Presentation*, fiscal year 1992, p. 113-114, and the discussion above.
- d. The main volume and summary tables of AID's Congressional presentation documents report bilateral ESF obligations of only \$2.107 million for Colombia in 1990; the remainder of the funding was from regional accounts. See AID, *Summary Tables*, fiscal year 1992, p. 25; AID, *Congressional Presentation*, fiscal year 1992, pp. 113-114 and p. 712; and AID, *Statistical Annex*, fiscal year 1992, beginning on p. 596.
- e. The summary tables of AID's Congressional presentation documents do not report bilateral development assistance obligations for Colombia in 1990 (see AID, *Summary Tables*, fiscal year 1992, p. 25); the remainder of the funding was from regional accounts (see AID, *Statistical Annex*, fiscal year 1992, beginning on p. 596).
- f. Includes ESF obligations—amounting to \$13.25 million—earmarked under section 578, "Narcotics Control Program," of the Foreign Operations Appropriations Act of 1989 (P.L. 100-461). See AID, *Congressional Presentation*, fiscal year 1992, p. 113-114, and the discussion above.
- g. Includes \$250,000 transferred from Colombia's bilateral program to the LAC Regional program for the "Andean Counterdrug Management Information System."
- h. Includes \$250,000 transferred from Bolivia's bilateral program to the LAC Regional program for the "Andean Counterdrug Management Information System."
- i. Excludes \$5 million transferred to the Bureau of International Narcotics Matters.
- j. Includes \$19.676 million deobligated in 1993; use yet to be determined.
- k. Excludes \$14.5 million carried over from 1992 and transferred to Haiti.

**FIGURE 4. SUPPORT FOR THE ANDEAN INITIATIVE: THE BUSH ADMINISTRATION'S PROPOSAL FOR ECONOMIC ASSISTANCE COMPARED WITH ACTUAL AND ESTIMATED LEVELS OF FUNDING**  
(By fiscal year, in millions of dollars)



**SOURCES:** Congressional Budget Office based on data from the Agency for International Development, Office of Planning and Budget, Finance and Administration; and Office of National Drug Control Policy.

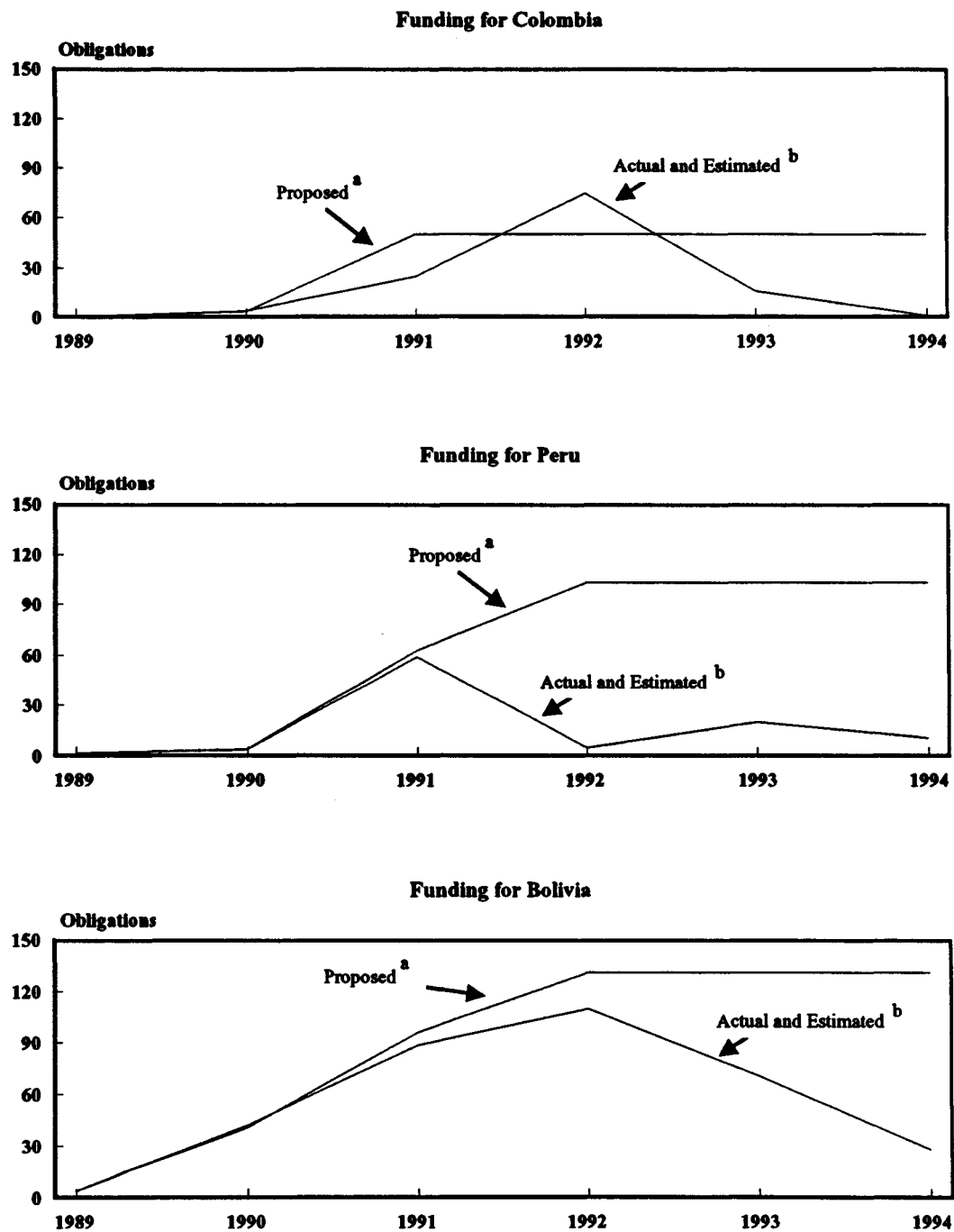
**NOTE:** For additional information, see Box 2 and Tables 1 and 2.

**a.** The Bush Administration issued a proposal for funding for the 1990-1994 period with a comparative assessment of funding for 1989 (dated June 20, 1990).

**b.** "Actual funding" refers to the 1989-1992 period and "estimated funding" refers to the 1993-1994 period.



FIGURE 4. CONTINUED



**TABLE 3. LAW ENFORCEMENT IN SUPPORT OF THE ANDEAN INITIATIVE: AN ANNOTATED BREAKDOWN OF ACTUAL AND ESTIMATED LEVELS OF FUNDING FOR THE COUNTRY PROGRAMS OF THE BUREAU OF INTERNATIONAL NARCOTICS MATTERS (Obligations by fiscal year, in thousands of dollars)**

	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate	1990- 1994 Total
<b>Colombia</b>							
Interdiction	9,363	18,950	18,500	21,633	22,700	u.	u.
Crop production control	0	0	0	0	0	u.	u.
Drug prevention and education	0	200	300	200	400	u.	u.
Administration*	<u>637</u>	<u>850</u>	<u>1,200</u>	<u>1,550</u>	<u>1,900</u>	<u>u.</u>	<u>u.</u>
Subtotal	10,000	20,000 <sup>b</sup>	20,000	23,383	25,000	20,000	108,383
<b>Peru</b>							
Interdiction	7,650	6,875	13,625	7,800	12,200	u.	u.
Crop production control	2,000	2,200	4,175	3,500	4,100	u.	u.
Drug prevention and education	50	125	170	100	100	u.	u.
Administration*	<u>800</u>	<u>800</u>	<u>1,030</u>	<u>1,100</u>	<u>1,100</u>	<u>u.</u>	<u>u.</u>
Subtotal	10,500	10,000	19,000	12,500 <sup>c</sup>	17,500	8,000	67,000
<b>Bolivia</b>							
Interdiction	6,509	10,867	11,470	12,150	13,500	u.	u.
Crop production control	2,184	2,658	2,030	2,050	2,000	u.	u.
Drug prevention and education	400	525	0	0	0	u.	u.
Administration*	<u>907</u>	<u>1,650</u>	<u>2,200</u>	<u>1,500</u>	<u>1,500</u>	<u>u.</u>	<u>u.</u>
Subtotal	10,000	15,700 <sup>b</sup>	15,700	15,700	17,000	17,000	81,100
<b>Combined Funding</b>							
Interdiction	23,522	36,692	43,595	41,583	48,400	u.	u.
Crop production control	4,184	4,858	6,205	5,550	6,100	u.	u.
Drug prevention and education	450	850	470	300	500	u.	u.
Administration*	<u>2,344</u>	<u>3,300</u>	<u>4,430</u>	<u>4,150</u>	<u>4,500</u>	<u>u.</u>	<u>u.</u>
Total	30,500	45,700	54,700	51,583	59,500	45,000	256,483

(Continued)

TABLE 3. CONTINUED

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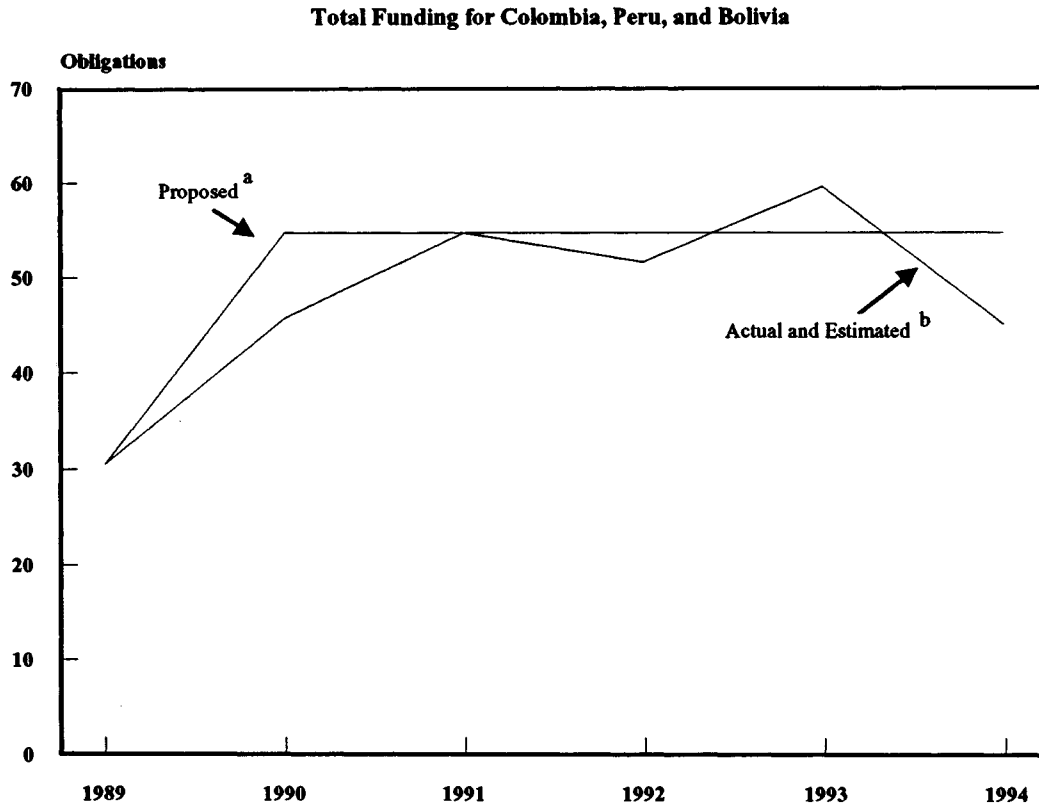
SOURCE: Congressional Budget Office based on data from the Department of State, Bureau of International Narcotics Matters (INM).

NOTES: u. = unobtainable.

"Law enforcement" consists of funding for INM's country programs in Columbia, Peru, and Bolivia, which may include some nonenforcement activities, such as crop production control involving alternative development activities, and drug prevention and awareness.

- a. Administration refers to program development and support.
  - b. Funding for 1990 includes \$16.5 million transferred from security assistance to INM to support the Andean strategy--Bolivia received \$6.5 million and Colombia received \$10 million. See the Department of State, Bureau of International Narcotics Matters, *International Narcotics Control Strategy Report* (March 1991), p. 43. The funds were appropriated for counternarcotics programs under section 602 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (P.L. 101-167).
  - c. In 1992, the Peru program was reflected in the Latin America Regional account.
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**FIGURE 5. SUPPORT FOR THE ANDEAN INITIATIVE: THE BUSH ADMINISTRATION'S PROPOSAL FOR LAW ENFORCEMENT COMPARED WITH ACTUAL AND ESTIMATED LEVELS OF FUNDING (By fiscal year, in millions of dollars)**



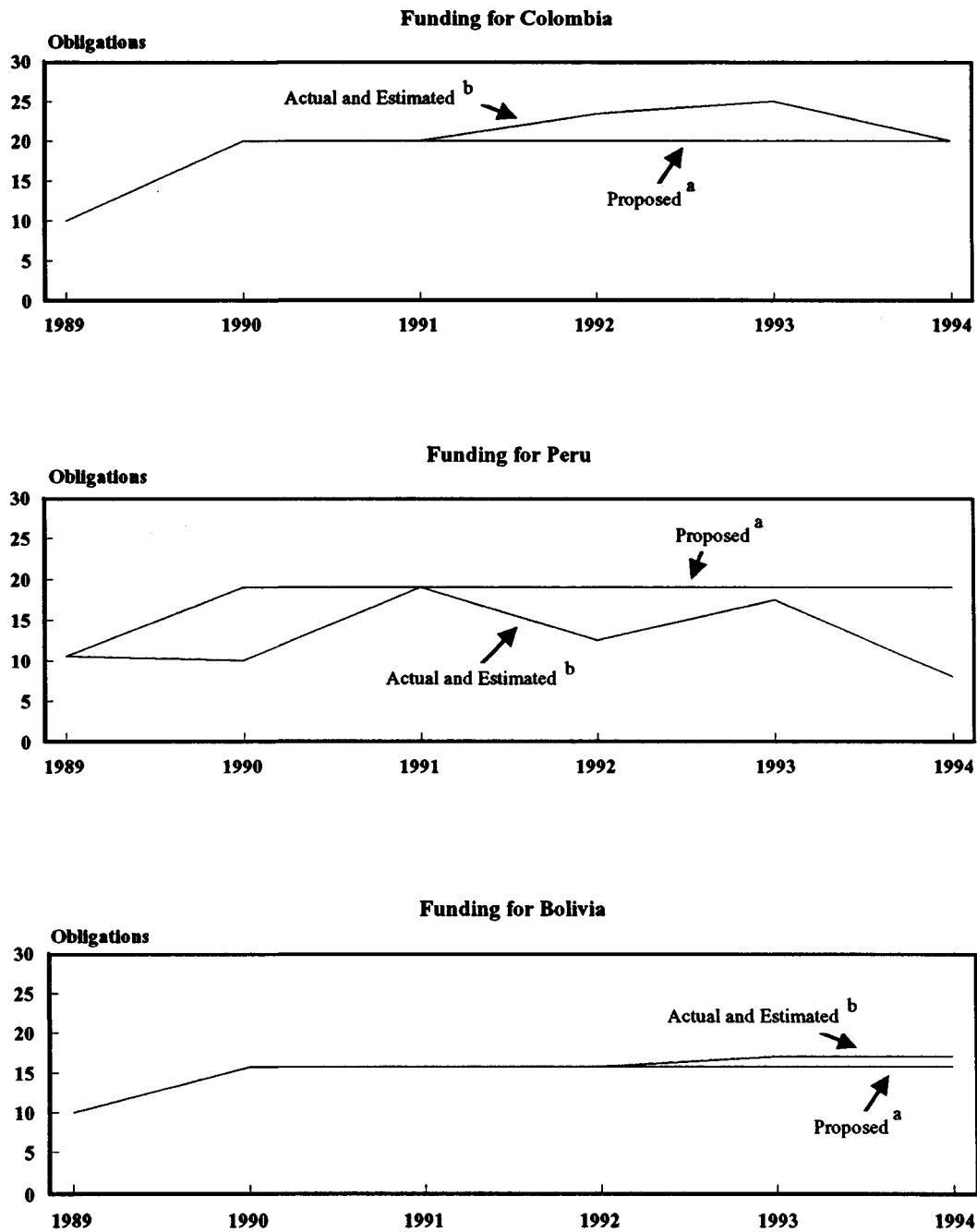
**SOURCES:** Congressional Budget Office based on data from the Department of State, Bureau of International Narcotics Matters; and Office of National Drug Control Policy.

**NOTE:** For additional information, see Box 2 and Tables 1 and 3.

a. The Bush Administration issued a proposal for funding for the 1990-1994 period with a comparative assessment of funding for 1989 (dated June 20, 1990).

b. "Actual funding" refers to the 1989-1992 period and "estimated funding" refers to the 1993-1994 period.

FIGURE 5. CONTINUED



**TABLE 4. DRUG ENFORCEMENT ADMINISTRATION ACTIVITIES IN SUPPORT OF THE ANDEAN INITIATIVE: AN ANNOTATED BREAKDOWN OF ACTUAL AND ESTIMATED LEVELS OF FUNDING FOR FOREIGN OFFICES AND OPERATION SNOWCAP**  
(Obligations by fiscal year, in thousands of dollars)

	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate	1990-1994 Total
<b>Colombia</b>							
Foreign offices							
Operating expenses	598	688	867	931	1,280	1,280	5,046
Administrative expenses	<u>3,461</u>	<u>4,035</u>	<u>5,316</u>	<u>5,128</u>	<u>6,364</u>	<u>6,364</u>	<u>27,207</u>
Subtotal	4,059	4,723	6,183	6,059	7,644	7,644	32,253
Operation Snowcap	<u>200</u>	<u>200</u>	<u>200</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>1,300</u>
Total	4,259	4,923	6,383	6,359	7,944	7,944	33,553
<b>Peru</b>							
Foreign offices							
Operating expenses	868	790	1,092	1,077	1,148	1,148	5,255
Administrative expenses	<u>1,851</u>	<u>2,065</u>	<u>2,944</u>	<u>3,008</u>	<u>2,011</u>	<u>2,011</u>	<u>12,039</u>
Subtotal	2,719	2,855	4,036	4,085	3,159	3,159	17,294
Operation Snowcap	<u>1,400</u>	<u>1,600</u>	<u>1,600</u>	<u>1,700</u>	<u>1,100</u>	<u>1,100</u>	<u>7,100</u>
Total	4,119	4,455	5,636	5,785	4,259	4,259	24,394
<b>Bolivia</b>							
Foreign offices							
Operating expenses	1,530	2,437	2,890	3,141	3,388	3,388	15,244
Administrative expenses	<u>2,825</u>	<u>4,043</u>	<u>5,290</u>	<u>7,791</u>	<u>6,950</u>	<u>6,950</u>	<u>31,024</u>
Subtotal	4,355	6,480	8,180	10,932	10,338	10,338	46,268
Operation Snowcap	<u>3,600</u>	<u>4,200</u>	<u>4,200</u>	<u>4,500</u>	<u>5,600</u>	<u>5,600</u>	<u>24,100</u>
Total	7,955	10,680	12,380	15,432	15,938	15,938	70,368
<b>Combined Funding</b>							
Foreign offices							
Operating expenses	2,996	3,915	4,849	5,149	5,816	5,816	25,545
Administrative expenses	<u>8,137</u>	<u>10,143</u>	<u>13,550</u>	<u>15,927</u>	<u>15,325</u>	<u>15,325</u>	<u>70,270</u>
Subtotal	11,133	14,058	18,399	21,076	21,141	21,141	95,815
Operation Snowcap	<u>5,200</u>	<u>6,000</u>	<u>6,000</u>	<u>6,500</u>	<u>7,000</u>	<u>7,000</u>	<u>32,500</u>
Total	16,333	20,058	24,399	27,576	28,141	28,141	128,315

SOURCE: Congressional Budget Office based on data from the Department of Justice, Drug Enforcement Administration.

NOTES: Operating expenses consist of all costs in support of investigative operations, including the purchase of evidence and payments for information. Administrative expenses consist of all noninvestigative costs incurred to run field offices, including personnel-related expenses. Obligations attributed to Operation Snowcap consist of operating expenses only. Operation Snowcap is a special enforcement program coordinated with the Bureau of International Narcotics Matters, targeted at suppressing the production and trafficking of cocaine, particularly in Bolivia and Peru.

Funding for DEA support is expected to surpass the five-year total specified in the Bush proposal by about \$39 million (see Figure 6). It is possible, however, that part of the overage in DEA support may result from differences in labeling or composition. In particular, it is not clear whether the Bush proposal included funding for DEA's contribution to Operation Snowcap. If such funding were excluded from the actual and estimated figures, the five-year total would be lower, but not low enough to eliminate the overage altogether (see Table 4).

Breaking down the data by country, the five-year totals for Colombia and Bolivia would exceed the totals specified in the proposal by significant margins, but the five-year total for Peru would fall short.

**Noncash Assets.** Noncash assets consist of offers to transfer excess defense articles (EDA) and actual deliveries of military equipment and services drawn down from U.S. stocks, measured at current value (see Tables 1, 5, and 6).<sup>29</sup> (Transfers of noncash assets, as well as unreimbursed deliveries of equipment and services made available through drawdowns, do not have a direct effect on the Treasury and are not "counted" directly in the federal budget.) In 1990, drawdown for Bolivia included a lease for helicopters valued at about \$2.6 million, fatigue uniforms valued at \$67,000, and combat rations--"meals ready to eat" (MREs)--valued at \$137,407. In 1992, Colombia's EDA included MREs valued at \$445,170, support equipment, and several trucks. (Neither list is exhaustive.) During the 1990-1993 period (data for 1994 are not yet available), noncash assets contributed additional resources amounting to about \$41 million. The bulk of those resources were directed to Colombia.

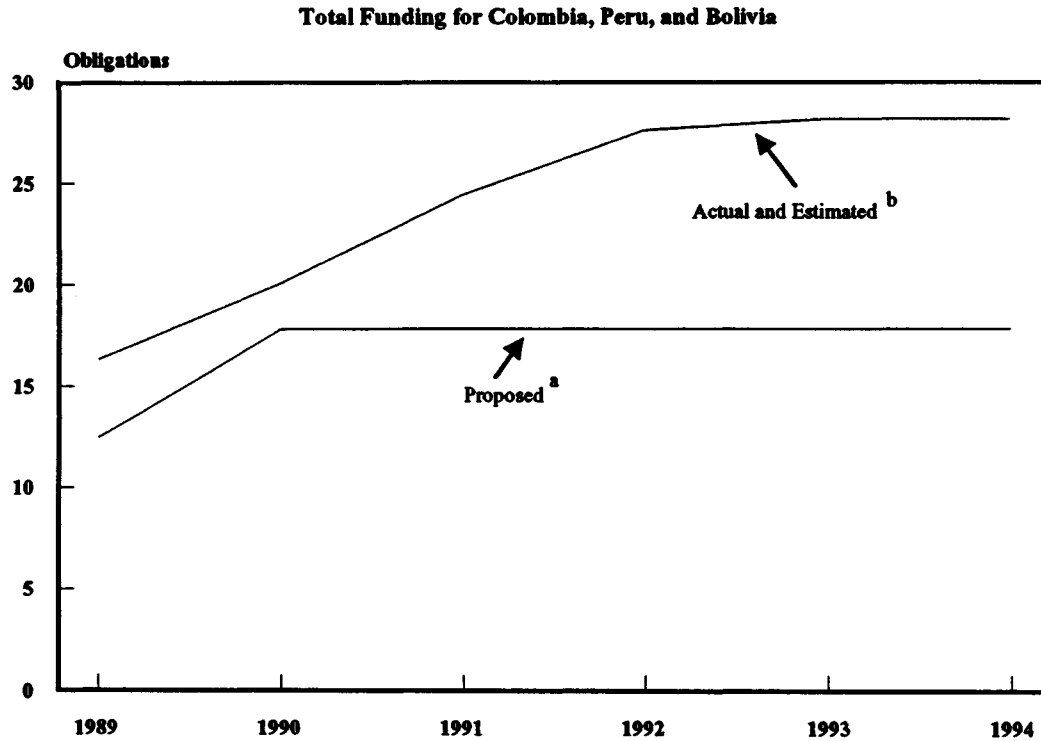
**Tariff Reductions.** Tariff reductions consist of actual and projected losses of revenue from tariffs under the Andean Trade Preference Act, after income and payroll tax offsets.<sup>30</sup> CBO's previous estimate of losses of revenue from tariffs assumed full implementation and participation in 1992, but the actual start-up of the program occurred over a period of almost two years. (Colombia and Bolivia were designated as beneficiary countries in July 1992; Peru was designated in August 1993.) The Congressional Budget Office's revised estimate of actual and projected revenue losses has been adjusted for

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29. To facilitate comparisons with other sources of data, Table 5 provides figures for budget authority and Table 6 provides figures for EDA measured at acquisition value and sales of EDA, but those figures are not included in Table 1. (EDA may be either sold to eligible countries under the Foreign Military Sales program or transferred under provisions of the Foreign Assistance Act of 1961, as amended. See Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs* (fiscal year 1994), p. 74.)

30. Excluding losses related to Ecuador.

**FIGURE 6. SUPPORT FOR THE ANDEAN INITIATIVE: THE BUSH ADMINISTRATION'S PROPOSAL FOR U.S. DRUG ENFORCEMENT ADMINISTRATION ACTIVITIES COMPARED WITH ACTUAL AND ESTIMATED LEVELS OF FUNDING (By fiscal year, in millions of dollars)**



**SOURCES:** Congressional Budget Office based on data from the Department of Justice, Drug Enforcement Administration; and Office of National Drug Control Policy.

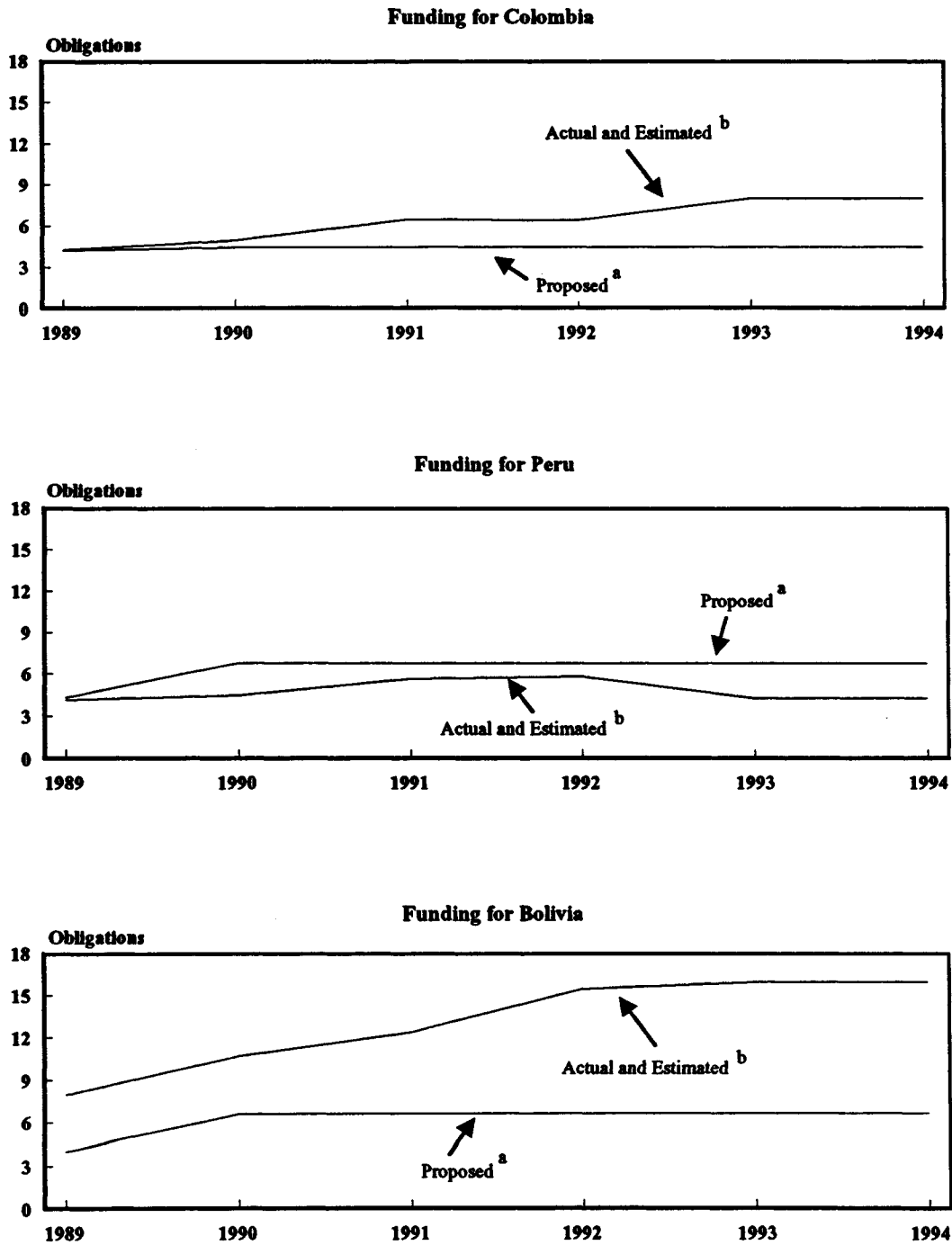
**NOTE:** For additional information, see Box 2 and Tables 1 and 4.

a. The Bush Administration issued a proposal for funding for the 1990-1994 period with a comparative assessment of funding for 1989 (dated June 20, 1990).

b. "Actual funding" refers to the 1989-1992 period and "estimated funding" refers to the 1993-1994 period.



FIGURE 6. CONTINUED



**TABLE 5. NONCASH ASSETS PROVIDED IN SUPPORT OF THE ANDEAN INITIATIVE: AN ANNOTATED BREAKDOWN OF AUTHORIZED DEFENSE DRAWDOWN AND REPORTED DELIVERIES**  
(By fiscal year, in thousands of dollars)

	1989	1990	1991	1992	1993	1994
<b>Budget Authority</b>						
Colombia	65,000	20,000	0	7,000	0	u.
Peru	0	0	0	0	0	u.
Bolivia	<u>0</u>	<u>7,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>u.</u>
Total	65,000	27,800	0	7,000	0	u.
<b>Current Value of Deliveries</b>						
<b>Colombia</b>						
Articles and services	60,940	14,685	0	5,813	0	u.
Transportation, packing, handling, and crating	<u>4,060</u>	<u>3,434</u>	<u>0</u>	<u>745</u>	<u>0</u>	<u>u.</u>
Subtotal	65,000	18,119	0	6,558	0	u.
<b>Peru</b>						
Articles and services	0	0	0	0	0	u.
Transportation, packing, handling, and crating	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>u.</u>
Subtotal	0	0	0	0	0	u.
<b>Bolivia</b>						
Articles and services	0	7,193	0	0	0	u.
Transportation, packing, handling, and crating	<u>0</u>	<u>341</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>u.</u>
Subtotal	0	7,534	0	0	0	u.
<b>Combined Deliveries</b>						
Articles and services	60,940	21,878	0	5,813	0	u.
Transportation, packing, handling, and crating	<u>4,060</u>	<u>3,775</u>	<u>0</u>	<u>745</u>	<u>0</u>	<u>u.</u>
Total	65,000	25,653	0	6,558	0	u.

(Continued)

TABLE 5. CONTINUED

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**SOURCES:** Congressional Budget Office based on data from the Defense Security Assistance Agency, Legislative and Planning Division; and Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs* (fiscal years 1991-1994).

**NOTES:** u. = unavailable.

Section 506(a)(2) of the Foreign Assistance Act of 1961 (FAA), as amended by section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 (P.L. 101-167), "authorizes the President to draw down defense articles and services, and provide military education and training for counternarcotics, disaster relief, or refugee assistance upon making a determination that it is in the national interest." See Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary* (January 1992), p. 24. Section 506(c) authorizes "appropriations for reimbursement of applicable funds," but such appropriations have not been granted in recent years. (Before 1990, section 506(a) of the FAA provided drawdown authority for unforeseen emergencies, but did not provide specific authority for international narcotics control.)

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TABLE 6. NONCASH ASSETS OFFERED IN SUPPORT OF THE ANDEAN INITIATIVE: AN ANNOTATED BREAKDOWN OF OFFERS TO TRANSFER OR SELL EXCESS DEFENSE ARTICLES (By fiscal year, in thousands of dollars)

	1989	1990	1991	1992	1993	1994
<b>Current Value</b>						
<b>Colombia</b>						
Transfers						
Section 517	n.a.	63	817	1,362	80	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>3,162</u>	<u>1,787</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	63	3,979	3,149	80	u.
Foreign military sales	<u>20</u>	<u>0</u>	<u>0</u>	<u>102</u>	<u>0</u>	<u>u.</u>
Total	20	63	3,979	3,251	80	u.
<b>Peru</b>						
Transfers						
Section 517	n.a.	48	0	121	0	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>0</u>	<u>0</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	48	0	121	0	u.
Foreign military sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>332</u>	<u>0</u>	<u>u.</u>
Total	0	48	0	453	0	u.
<b>Bolivia</b>						
Transfers						
Section 517	n.a.	0	0	0	0	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>0</u>	<u>1,474</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	0	0	1,474	0	u.
Foreign military sales	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>u.</u>
Total	4	0	0	1,474	0	u.
<b>Combined Transfers and Sales</b>						
Transfers						
Section 517	n.a.	111	817	1,484	80	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>3,162</u>	<u>3,261</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	111	3,979	4,745	80	u.
Foreign military sales	<u>24</u>	<u>0</u>	<u>0</u>	<u>434</u>	<u>0</u>	<u>u.</u>
Total	24	111	3,979	5,179	80	u.

(Continued)

TABLE 6. CONTINUED

	1989	1990	1991	1992	1993	1994
<b>Acquisition Value</b>						
<b>Colombia</b>						
Transfers						
Section 517	n.a.	1,101	2,382	4,924	1,051	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>4,201</u>	<u>3,768</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	1,101	6,583	8,692	1,051	u.
Foreign military sales	<u>57</u>	<u>0</u>	<u>0</u>	<u>811</u>	<u>0</u>	<u>u.</u>
Total	57	1,101	6,583	9,502	1,051	u.
<b>Peru</b>						
Transfers						
Section 517	n.a.	458	0	243	0	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>0</u>	<u>0</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	458	0	243	0	u.
Foreign military sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,657</u>	<u>0</u>	<u>u.</u>
Total	0	458	0	2,900	0	u.
<b>Bolivia</b>						
Transfers						
Section 517	n.a.	0	0	0	0	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>0</u>	<u>2,100</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	0	0	2,100	0	u.
Foreign military sales	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>u.</u>
Total	11	0	0	2,100	0	u.
<b>Combined Transfer and Sales</b>						
Transfers						
Section 517	n.a.	1,559	2,382	5,167	1,051	u.
Section 519	<u>n.a.</u>	<u>n.a.</u>	<u>4,201</u>	<u>5,868</u>	<u>n.a.</u>	<u>n.a.</u>
Subtotal	n.a.	1,559	2,382	11,035	1,051	u.
Foreign military sales	<u>68</u>	<u>0</u>	<u>0</u>	<u>3,468</u>	<u>0</u>	<u>u.</u>
Total	68	1,559	6,583	14,502	1,051	u.

(Continued)

TABLE 6. CONTINUED

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SOURCES: Congressional Budget Office based on data from the Defense Security Assistance Agency, Legislative and Planning Division; and Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs* (fiscal years 1991-1994).

NOTES: u. = unavailable; n.a. = not applicable.

Materiel no longer needed by the U.S. armed forces is referred to collectively as excess defense articles (EDA) and may be either sold to eligible countries under the Foreign Military Sales program or transferred under provisions of the Foreign Assistance Act of 1961 (FAA), as amended (see Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs*, fiscal year 1994, p. 74). Section 517 of the FAA, as amended, which was created under section 5 of the International Narcotics Control Act of 1989 (P.L. 101-231), provides transfer authority for EDA used *primarily* in support of counternarcotics activities. (Prior to amendments specified in section 15 of the International Narcotics Control Act of 1990 (P.L. 101-623), section 517 provided transfer authority for EDA used *only* in support of counternarcotics activities.) Section 519 of the FAA, as amended, which was created under section 596 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1991 (P.L. 101-513), has provided additional authorities relating to modernization of military capabilities for transfers of nonlethal EDA, but does not apply to major illicit-drug producing or trafficking countries in Latin America after 1992. (Under section 9 of the International Narcotics Control Act of 1992 (P.L. 102-583), the transfer authority provided in section 519 may not be exercised with respect to any major illicit-drug producing or drug trafficking country in Latin America or the Caribbean.) The figures for EDA are offers and may not correspond to actual deliveries.

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those delays. CBO's estimate of actual revenue losses amounts to about \$3 million for 1992 and \$13 million for 1993, after income and payroll tax offsets are subtracted. For 1994, CBO's estimate of projected losses is about \$16 million, also after income and payroll tax offsets are subtracted. Stated slightly differently, the ATPA added an estimated \$16 million to the cost of the Andean Initiative during the 1992-1993 period and is expected to add another \$16 million to that cost in 1994. In each case, Colombia has been or is expected to be the principal beneficiary.

## CONCLUSIONS

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In September 1989, the Bush Administration introduced the Andean Initiative and, in June 1990, issued a five-year plan to provide about \$2.1 billion for military and economic assistance, law enforcement, and DEA support in Colombia, Peru, and Bolivia. The Bush Administration intended significant increases in narcotics-related funding for the three countries, but the record of actual and estimated obligations indicates substantial shortfalls. Although regional funding increased in 1990 and 1991, it increased less than was envisioned in the proposal, and is expected to decline in 1993 and 1994. Other resources--such as trade benefits and noncash assets--have added to the totals, but not enough to affect the general conclusion.

But comparisons of funding before the initiative, proposed levels of funding, and later reports of actual and estimated levels of funding for the Andean region should be viewed with care. Poor documentation and data incongruities, as well as the uncertainty surrounding estimates of obligations for 1994, make precise assessments difficult. Moreover, the data for the Andean region should not be viewed in isolation or apart from political events, such as President Fujimori's decision to suspend the Peruvian constitution in 1992. And although funding for the initiative appears to be waning, overall funding for some of the agencies and programs has also declined. For example, the total appropriation for the Bureau of International Narcotics Matters fell from \$147.8 million in 1993 to only \$100 million in 1994, but the share of those funds allocated to Colombia, Peru, and Bolivia rose from 40 percent to 45 percent. Finally, the Congress has called for a moratorium on some Andean Initiative funding for 1994, pending a new strategy from the Clinton Administration.

